

## Mining Commencement In The Murchison

Silver Lake Resources Ltd ("Silver Lake") is pleased to announce that mining has commenced at the Murchison Project (refer to figure 2).

In the Murchison, Silver Lake is developing a second gold mining operation with multiple mines feeding a central processing facility. The processing facility is currently 75% constructed and first gold production is on track to commence in the March 2013 quarter ramping up to 100,000 ounces per annum in 2014. The base case production plan has ore being sourced from 14 open pit and 4 underground mines.

The first ore production (refer to figure 1) was mined from the the Genesis deposit which was discovered by Silver Lake in March 2010 and is planned to be fed to the mill following commissioning and feeding of the existing low grade ore stockpile.



Figure 1: First truck load of ore being loaded from the Genesis deposit.

For further information please contact

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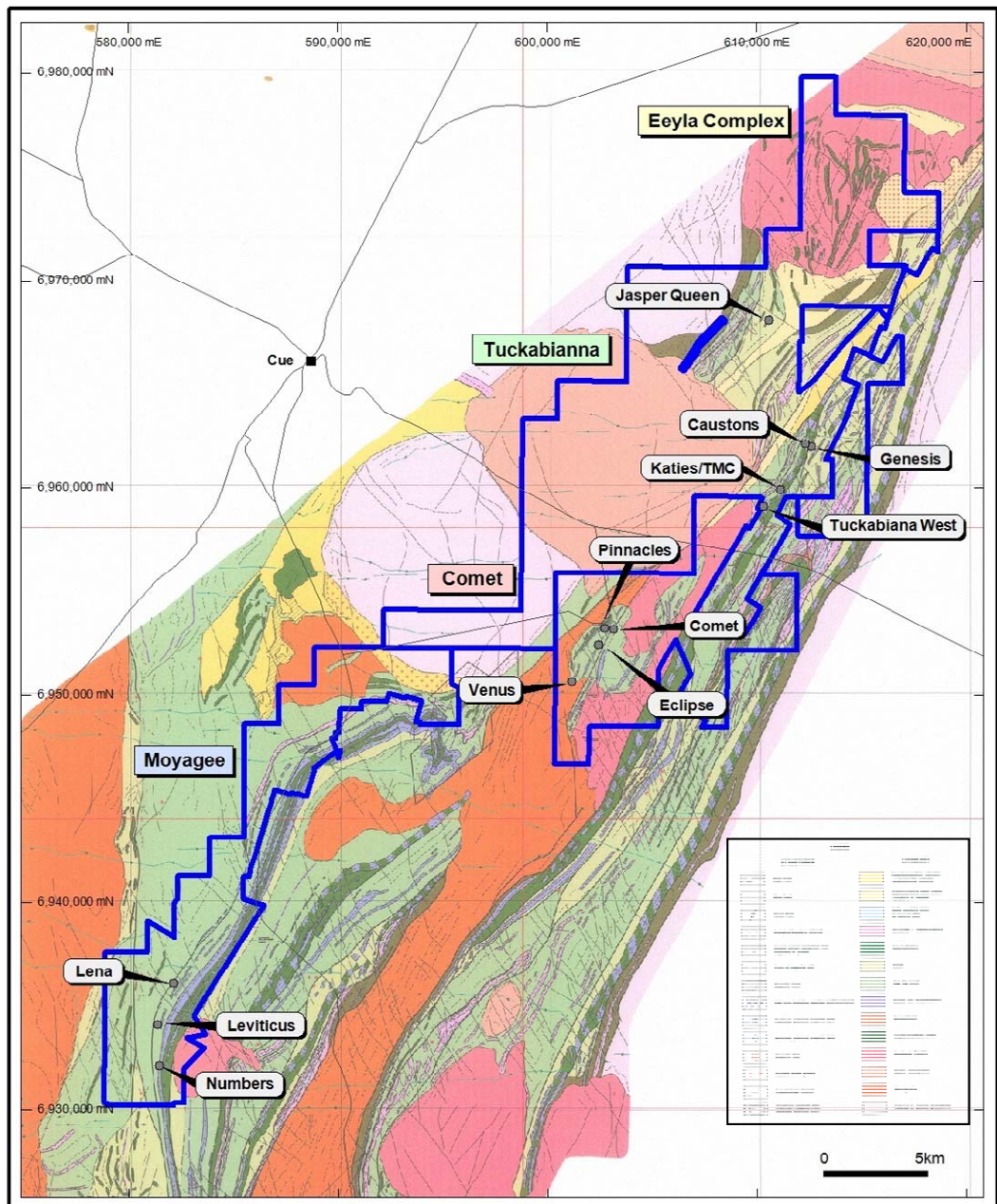


Figure 2: Murchison project location plan.

#### About Silver Lake Resources Ltd:

Silver Lake is an ASX 200 gold producing and exploration company with projects located in highly prospective regions including the Mount Monger and Murchison goldfields and the Great Southern district of Western Australia. Silver Lake's strategy is to develop large production centres at Mount Monger, in the Murchison and the Great Southern with multiple mines at each centre.

Silver Lake has announced that an agreement has been reached with Integra Mining Ltd (ASX IGR: "Integra") to acquire Integra's Mount Monger assets by a Scheme of Arrangement ("Scheme"). The combined business JORC Resources and JORC Ore Reserves will comprise:

- 6.6 million ounces of gold inclusive of 1.8 million ounces of reserve;
- 10.4 million ounces of silver; and
- 140,000 tonnes of copper.

Upon completion of this transaction Silver Lake will become one of the largest all-Australian gold producers.

In the Murchison, Silver Lake is developing a second mining operation with multiple mines feeding a central processing facility. A 1.2 million tonne per annum mill has been acquired for this project and production is expected to commence in the March 2013 quarter.

At the Eelya Complex, part of the Murchison project, a high grade Copper discovery has been made at Hollandaire. The Hollandaire deposit contains copper, gold, silver & zinc with grades up to 45% Cu, 5.5 g/t Au and 256 g/t Ag.

In the Great Southern, Silver Lake owns the large Kundip and Munglinup exploration projects covering over 2,500 sqkm. Post ramp up of Mount Monger and development of the Murchison in 2013, Silver Lake will increase regional gold exploration at Kundip with the view of establishing a third gold mining centre (with potential copper and silver credits).

Silver Lake's exploration programme is targeting 10 million oz Au over time.

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#### **Competent Person's Statement**

*The information in this report that relates to Exploration Results Mineral Resources and Ore Reserves is based on information compiled by Mr Christopher Banasik who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Banasik is a full time employee of Silver Lake Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Banasik has given his consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*Information that relates to exploration and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The information on exploration targets are based on a conceptual range of targets as follows:*

<i>Tonnage range:</i>	<i>50 million to 100 million tonnes</i>
<i>Grade range:</i>	<i>3 g/t Au to 8 g/t Au</i>
<i>Ounces:</i>	<i>5 million to 10 million</i>



Deposit	Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s	Ore t '000s	Grade g/t Au	Total Oz Au '000s
Daisy Milano	139.2	18.6	83.1	705.5	14.6	331.1	763.7	8.3	203.8	1,608.3	12.0	618.1
Haoma	701.7	11.1	250.4	396.3	13.5	172.0	78.8	11.3	28.6	1,176.9	11.9	451.1
Haoma West	-	-	-	45.0	8.7	12.6	145.7	10.1	47.3	190.7	9.8	59.9
Christmas Flat	-	-	-	338.6	4.1	44.1	448.5	6.3	91.3	787.1	5.3	135.4
Costello	-	-	-	-	-	-	111.0	4.0	14.3	111.0	4.0	14.3
Lorna Doone	-	-	-	-	-	-	128.0	3.1	12.8	128.0	3.1	12.8
Magic	-	-	-	749.2	4.1	98.3	1,071.0	5.2	178.0	1,820.2	4.7	276.3
Wombola Pit	-	-	-	197.0	3.6	22.9	72.7	3.2	7.5	269.8	3.5	30.5
Wombola Dam	288.6	3.8	35.1	271.7	3.2	28.3	143.7	2.8	12.9	704.0	3.4	76.3
Hammer & Tap	-	-	-	-	-	-	350.2	2.4	27.4	350.2	2.4	27.4
<b>Total Mount Monger</b>	<b>1,129.5</b>	<b>10.2</b>	<b>368.6</b>	<b>2,703.3</b>	<b>8.2</b>	<b>709.3</b>	<b>3,313.3</b>	<b>5.9</b>	<b>623.9</b>	<b>7,146.2</b>	<b>7.4</b>	<b>1,702.1</b>
Tuckabianna - OP	-	-	-	4,050.0	2.1	270.0	4,430.0	1.9	270.0	8,480.0	2.0	540.0
Tuckabianna - UG	-	-	-	1,350.0	4.2	180.0	2,410.0	4.2	330.0	3,760.0	4.2	510.0
Comet - OP	36.0	0.6	0.7	2,324.0	2.5	186.8	250.0	1.4	10.0	2,610.0	2.4	197.5
Comet - UG	-	-	-	1,060.0	4.6	160.0	730.0	3.7	90.0	1,790.0	4.2	250.0
Moyagee - OP	-	-	-	960.0	2.1	70.0	1,410.0	2.2	100.0	2,370.0	2.2	170.0
Moyagee - UG	-	-	-	80.0	3.3	10.0	1,630.0	4.0	210.0	1,710.0	4.0	220.0
<b>Murchison - OP</b>	<b>36.0</b>	<b>0.6</b>	<b>0.7</b>	<b>7,334.0</b>	<b>2.2</b>	<b>526.8</b>	<b>6,090.0</b>	<b>2.0</b>	<b>380.0</b>	<b>13,460.0</b>	<b>2.1</b>	<b>907.5</b>
<b>Murchison - UG</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,490.0</b>	<b>4.3</b>	<b>350.0</b>	<b>4,770.0</b>	<b>4.0</b>	<b>630.0</b>	<b>7,260.0</b>	<b>4.1</b>	<b>980.0</b>
Hollandaire	-	-	-	-	-	-	2,800.0	0.4	34.1	2,800.0	0.4	34.1
<b>Total Murchison</b>	<b>36.0</b>	<b>0.6</b>	<b>0.7</b>	<b>9,814.0</b>	<b>2.8</b>	<b>879.3</b>	<b>13,660.0</b>	<b>2.4</b>	<b>1,044.1</b>	<b>23,520.0</b>	<b>2.8</b>	<b>1,921.6</b>
Kundip	-	-	-	4,390.0	3.4	481.3	4,550.0	2.1	307.2	8,940.0	2.7	788.5
Trilogy	310.0	2.4	23.9	5,750.0	0.7	136.4	180.0	0.6	4.5	6,240.0	0.8	163.8
<b>Total Great Southern</b>	<b>310.0</b>	<b>2.4</b>	<b>23.9</b>	<b>10,140.0</b>	<b>1.9</b>	<b>617.7</b>	<b>4,730.0</b>	<b>2.0</b>	<b>311.7</b>	<b>15,180.0</b>	<b>2.0</b>	<b>952.3</b>
<b>Total Silver Lake</b>	<b>1,475.5</b>	<b>8.3</b>	<b>393.2</b>	<b>22,657.3</b>	<b>3.0</b>	<b>2,206.3</b>	<b>21,703.3</b>	<b>2.8</b>	<b>1,979.7</b>	<b>45,846.2</b>	<b>3.1</b>	<b>4,576.0</b>

Table 1: June 2012 Resource

*Rounding may give rise to unit discrepancies in this table*

Notes to table 1:

Gold resources are inclusive of ore reserves.

	Proved Reserves				Probable Reserves				Total Reserves			
	Ore tonnes '000s	Grade	Increment	Total '000s	Ore tonnes '000s	Grade	Increment	Total '000s	Ore tonnes '000s	Grade	Increment	Total '000s
Daisy Milano	-	-		-	1,231.7	5.6	g/t Au	219.7	1231.7	5.6	g/t Au	219.7
Haoma	-	-		-	792.1	5.1	g/t Au	130.7	792.1	5.1	g/t Au	130.7
Wombola	222.8	1.6	g/t Au	11.3	344.6	1.8	g/t Au	19.7	567.4	1.7	g/t Au	31.0
Mt Monger Stockpile	324.9	2.6	g/t Au	27.7					324.9	2.6	g/t Au	27.7
Murchison Project					4,871.3	2.7	g/t Au	424.8	4,871.3	2.7	g/t Au	424.8
Murchison Stockpile	77.0	1.0	g/t Au	2.5					77.0	1.0	g/t Au	2.5
Kundip Project	-	-	g/t Au	-	2,810.0	3.4	g/t Au	307.2	2,810.0	3.4	g/t Au	307.2
Trilogy Project	310.0	2.2	g/t Au	22.0	4,320.0	0.8	g/t Au	112.9	4,630.0	0.9	g/t Au	134.9
Total Reserve	934.7	2.2	g/t Au	63.5	14,369.7	2.6	g/t Au	1,215.0	15,304.4	2.6	g/t Au	1,278.5

Table 2: June 2012 Ore Reserve

*Rounding may give rise to unit discrepancies in this table*

	Measured Resources					Indicated Resources					Inferred Resources					Total Resources					
	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	Ore tonnes '000s	Grade	Increment	Total '000s	Unit	
Kundip Project																					
Silver	-	-	g/t Ag	-	oz	4,390.0	2.5	g/t Ag	353.9	oz	4,550.0	2.1	g/t Ag	314.2	oz	8,940.0	2.3	g/t Ag	668.1	oz	
Copper	-	-	% Cu	-	t	4,390.0	0.4	% Cu	15.6	t	4,550.0	0.3	% Cu	14.7	t	8,940.0	0.3	% Cu	30.2	t	
Trilogy Project																					
Silver	310.0	41.2	g/t Ag	406.6	oz	5,750.0	48.0	g/t Ag	8,859.6	oz	180.0	12.0	g/t Ag	73.4	oz	6,240.0	47.0	g/t Ag	9,339.7	oz	
Copper	310.0	0.3	% Cu	0.9	t	5,750.0	1.1	% Cu	62.3	t	180.0	0.8	% Cu	1.4	t	6,240.0	1.0	% Cu	64.6	t	
Hollandaire																					
Silver	-	-	-	-	oz	-	-	-	-	oz	2,800.0	5.0	g/t Ag	457.8	oz	2,800.0	5.0	g/t Ag	457.8	oz	
Copper	-	-	-	-	t	-	-	-	-	t	2,800.0	1.6	% Cu	45.1	t	2,800.0	1.6	% Cu	45.1	t	
Total Resource																					
Silver	310.0	40.8	g/t Ag	406.6	oz	10,140.0	28.3	g/t Ag	9,213.5	oz	4,730.0	2.5	g/t Ag	386.6	oz	17,980.0	18.1	g/t Ag	10,465.5	oz	
Copper	310.0	0.3	% Cu	0.9	t	10,140.0	0.8	% Cu	77.8	t	7,530.0	0.8	% Cu	61.2	t	17,980.0	0.8	% Cu	140.0	t	

Table 3: June 2012 base metal resource

*Rounding may give rise to unit discrepancies in this table*